

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2001-483-G - ORDER NO. 2002-534

JULY 24, 2002

IN RE: Duke RIPP Natural Gas Pipeline Construction ) ORDER APPROVING  
and Services Agreement between Piedmont ) CONTRACT  
Natural Gas Company, Inc. and Duke Power. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Piedmont Natural Gas Company (Piedmont) for approval of a Natural Gas Pipeline Construction and Service Agreement between it and Duke Energy (Duke), relating to the construction of gas turbine electric generation facilities at Duke's RIPP power station in Cherokee County, South Carolina. The agreement was submitted for Commission consideration pursuant to Commission Regulation 103-403(D).

In order to meet competition from alternative energy sources and suppliers and to acquire Duke as a long term customer, Piedmont has entered into this agreement. Piedmont anticipates that Duke will make substantial contributions to Piedmont's recovery of fixed costs and provide other significant benefits to Piedmont and its customers.

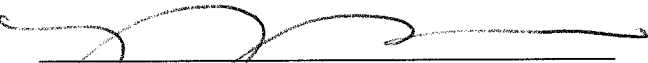
The City of Blacksburg, South Carolina (Blacksburg or the City) initially intervened in this Docket, but after various discussions between Duke, Piedmont,

Blacksburg, and the Commission Staff, the City's concerns were resolved, and the City withdrew its intervention.

Accordingly, we have examined the contract, and find it fair and reasonable. We find that Duke will make substantial contributions to Piedmont's recovery of fixed costs, and that the contract will provide other significant benefits to Piedmont and its customers, as well as to Duke and its customers. The agreement is therefore approved as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)